

discouraging parties from gaming the regulatory process to deter entry through prolonged regulatory proceedings. California, as well as many other states, have found interim arrangements helpful in encouraging entry.

#### **V. EXEMPTIONS, SUSPENSIONS AND MODIFICATIONS**

The FCC requests comment on whether it should establish standards regarding what would constitute a "bona fide" request for interconnection. NPRM, ¶260. The FCC is correct in making the tentative conclusion that states alone have authority to make this determination under section 271(f). States are in the best position to decide whether a request for interconnection with a small local exchange carrier is not unduly economically burdensome, is technically feasible and is consistent with section 254.

#### **VI. ARBITRATION**

The Commission seeks comment on whether in this proceeding it should establish regulations to carry out its obligations under section 252(e)(5). NPRM, ¶265. Section 252(e)(5) provides as follows:

"(5) COMMISSION TO ACT IF STATE WILL NOT ACT  
- If a State commission fails to act to carry out its responsibility under this section in any proceeding or other matter under this section, then the Commission shall issue an order preempting the State commission's jurisdiction of that proceeding or matter within 90 days after being notified (or taking notice) of such failure, and shall assume the responsibility of the State commission under this section with respect to the proceeding or matter and act for the State commission."

The Commission requests comment on the circumstances under which a state commission should be deemed to have "fail[ed] to act" under 252(e)(5). Id. at ¶266. Viewing this provision in conjunction with section 252(e)(4) which provides that a state commission has 90 days to approve or reject a negotiated agreement, and 30 days for an arbitrated agreement, or it is deemed approved, we offer the following comments.

**A. The Commission Should Not Set Forth Detailed, Explicit Rules for Determining When A State Has Failed to Act.**

If a state commission has not approved or rejected an arbitrated agreement within 30 days from the time the agreement is submitted by the parties, it shall be deemed approved. If the latter words are given their literal meaning, anything short of actual approval or rejection could be interpreted to mean "failure to act." This is a literal, but not a reasonable, interpretation. If a state commission is in the last stage of its approval process, but has not completed it, on the 30th day, that state should not be deemed to have "failed to act." Approval of an arbitrated agreement by operation of law is not tantamount to saying that a state has failed to act. "Failure to act" should mean that a state commission has not taken any steps to approve the arbitrated agreement in its internal approval process. This standard is clear-cut and avoids excessive bureaucratic entanglement by the FCC with the internal approval processes of the states. The FCC can then put its resources to better use.

**B. If the Commission Preempts A State, the 1996  
Act Mandates that State Law Be Applied.**

The Commission also seeks comment on whether the Commission is bound by the laws and standards that would have applied to the state commission once it preempts a state, and whether the Commission is authorized to decide whether an agreement is consistent with applicable state law as the state commission would have been under 252(e)(3). NPRM, ¶266. Section 252(e)(3) appears to be clear on its face:

"(3) PRESERVATION OF AUTHORITY -  
Notwithstanding paragraph (2) [grounds for rejection], but subject to section 253, nothing in this section shall prohibit a State commission from establishing or enforcing other requirements of State law in its review of an agreement, including requiring compliance with intrastate telecommunications service quality standards or requirements."

A reasonable interpretation of the above is that state law should be applied when reviewing interconnection agreements. It logically follows that whoever assumes the role of a state in approving or rejecting an interconnection agreement is likewise bound by state law and standards. The "possible interpretation" suggested by the Commission that "if an agreement is deemed approved pursuant to section 252(e)(4), it will be deemed to comply with state law" is untenable. NPRM, ¶266. Section 252(e)(4) refers to the automatic approval of an interconnection agreement in the event a state neither approves nor rejects it. Without a state's blessing or explicit rejection of an agreement, the agreement should not be deemed to be in compliance with state

law. State approval of an interconnection agreement should be the only circumstance whereby a state should be deemed to have placed its imprimatur on an agreement, and the presumption of legality should attach at that time. Thereafter, the Commission should have no authority to review that determination.

**C. The Commission Should Develop and Publish Guidelines On How It Will Proceed After Finding That A State Has Failed To Act.**

The Commission requests comment on whether it should adopt in this proceeding some standards or methods for arbitrating disputes, in the event it has preempted a state pursuant to Section 252(e)(5). NPRM, ¶268. Once the Commission has found that a state has clearly failed to act, it should not be a mystery as to how the Commission will proceed. The Commission should develop and publish the guidelines under which it will carry out the obligations the Act calls for under section 252(e)(5). State commissions and the parties would then be on notice as to what to expect from the Commission. It is a matter of due process.

The Commission suggested two possible methods for arbitrating disputes: (1) "final offer" arbitration - each party presents its best and final offer, and the arbitrator decides which of the two proposals become binding; and (2) "open-ended" arbitration - offers a slower and more administratively difficult process, but is more likely to result in a final decision that is consistent with the public interest. NPRM, ¶268. There should be a balance between advancing the public interest and promoting

efficiency. The process should not be so laborious and time-consuming that it may be construed as a barrier to entry under section 253. The Commission could develop a process that is a hybrid of the two methods, thereby promoting the public interest and efficiency.

The Commission asks, in the event it must conduct arbitration under section 252(e)(5), whether it should adopt some standards for arbitrating disputes in this proceeding. NPRM, ¶268. This proceeding would seem to be the appropriate forum in which to set forth those guidelines. Disputes are inevitable, and parties need to know in advance how such disputes will be handled if the FCC conducts arbitration.

California's procedure for resolving interconnection disputes balances the public interest and efficiency. The CPUC adopted a four-step expedited dispute resolution process for resolving disputes between parties who cannot agree on the terms of interconnection.<sup>19</sup> Step 1 calls for informal resolution without CPUC intervention. It requires the LECs and competitive local carriers (CLCs) to negotiate in good faith and to escalate the disputes to the executive level within each company before bringing disputes before the CPUC for resolution. If the parties cannot resolve their differences, they go on to Step 2 which provides for dispute resolution with the Administrative Law Judge (ALJ) mediating. The parties must have exhausted their administrative remedy of escalating their differences to the

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19. CPUC Decision (D.) 95-12-056, pp. 36-42.

executive level within each company before they can advance to this stage. If mediation is not successful, parties will begin Step 3 which calls for them to submit short pleadings to the ALJ, who shall use the CPUC's "preferred outcomes" approach as a guideline in resolving the dispute. Parties who choose to challenge an ALJ ruling will go on to Step 4 by filing an expedited complaint.

## VII. CONCLUSION

For the reasons stated herein, the CPUC urges the Commission to promote the flexibility of states to devise interconnection implementation guidelines that are best suited to the unique characteristics of a given state. While there are a few instances where national rules might be efficient, we ask the Commission not to succumb to a "cookie cutter" approach to interconnection. What may work in one region or locality may not work as efficiently in another. States know their own telecommunications markets best, they have a history of dealing with the players in those markets, and are in the best position to protect consumer interests and promote universal service, a primary goal of the 1996 Act that should not be overlooked in the rush to issue interconnection rules. So long as states actively promote competition, ensure just, reasonable and nondiscriminatory rates, and do not permit carriers to erect barriers to entry in violation of section 253, states should be allowed to fashion rules that meet individual state needs.

Where it is necessary to have national rules, those rules should be flexible enough to provide a menu of options from which

a state may make choices that best serve the state's interests while, at the same time, enhances competition and opens up the telecommunications network, consistent with the 1996 Act.

Respectfully submitted,

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**ATTACHMENT 1**



## **ENHANCING CALIFORNIA'S COMPETITIVE STRENGTH:**

### **A Strategy For Telecommunications Infrastructure**

#### **Executive Summary**

In his 1993 State of the State address, Governor Pete Wilson called for the state to take full advantage of advanced technologies to "set the stage for a California comeback." Noting the vital role that advanced telecommunications can and must play in restoring and improving the state's economic health, Governor Wilson asked the Public Utilities Commission to develop a comprehensive strategy to promote the development of an advanced public telecommunications network for California:

With this report, the Commission responds to the Governor's request and offers a statewide strategy designed to:

- *Ensure California's competitive advantage in the global economy;*
- *Foster the creation of new, higher-paying jobs for Californians;*
- *Bring the benefits promised by the Information Age to ALL Californians;*  
*and,*
- *Continue California's commitment to universal service.*

## **The Vision for California: World Class Services for All Californians**

### ***Leading the Way in Innovation***

Consistent with our state's tradition, we seek to place California at the leading edge of innovation in advanced telecommunications. In our view, such a goal is attainable by leveraging the state's unique competitive strengths, particularly its high-technology and entrepreneurial base. California's large size, sophisticated needs and remarkable diversity position the state to nurture new products and new markets which, in turn, will foster promising new gateways to markets in other states and abroad.

Our vision sees *all* Californians sharing not just in the benefits of today's advanced telecommunications, but in the opportunities and benefits promised by tomorrow's innovation. We envision a telecommunications future in which all Californians enjoy ready and affordable access to, and the opportunity to make productive use of, a wide array of networks which meet *the consumer's individual needs*. Our vision does *not*, nor should it, require individual consumers and businesses to use or benefit from the infrastructure in the same way.

We commend a future in which California's consumers enjoy the opportunity to exploit and benefit from interconnected networks offering the most advanced capabilities available nationally or abroad. We foresee alliances between public institutions and private firms, greatly enhancing the ability of consumers with more modest needs to use high-quality, low-cost telecommunications in new and yet unimagined ways. Building on policies of maximum access and consumer choice, users can make use of contemporary and future advances in telecommunications for an almost limitless array of activities: telecommuting; mobile communications; delivering and receiving essential services; making more efficient use of energy in the home and in business; providing health care; retrieving and sharing a vast wealth of information quickly and cheaply; continuing education in the school and home; personal business management; entertainment; and a host of others.

## **The Benefits Are Substantial**

Advanced telecommunications offers California the opportunity to gain competitive advantage in the global marketplace. That advantage will strengthen our economy and create tens of thousands of jobs. Expanded use of telecommunications will create new products and services, new businesses, new job opportunities and could increase the productivity of the state's businesses by billions of dollars. These economic benefits will significantly enhance the state and local revenues necessary to deliver vital social and community services.

Many of the benefits will flow beyond the private sector to enrich our educational system; the health care sector; libraries; public safety organizations; and other important institutions. Telecommunications promises to make government more efficient and responsive by doing more with less, by easing access to government programs and services, and by shifting focus toward a more consumer-oriented approach. Equally important, public sector agencies and non-profit organizations can exploit advanced telecommunications to develop new and valuable services that would otherwise not be possible using traditional methods.

Our strategy recommends specific, near-term actions to promote:

- ***Distance Learning*** to allow students anywhere in the state to learn from teachers with specialized expertise via two-way video links to the classroom or the home;
- ***Telecommuting and videoconferencing*** to improve business productivity, ease congestion, and improve the state's air quality;
- ***Remote medical monitoring*** to expand access to, improve the quality, and lower the cost of health care especially to remote areas of the state;
- ***Interactive design and manufacturing techniques*** to enhance industrial productivity and stimulate job and economic growth;
- ***Remote energy management*** services which combine telecommunications and energy technologies to allow energy consumers to better manage their energy bills, and electric utilities and other energy service providers to offer service more efficiently;

## **Enhancing California's Competitive Strength:**

- ***Multimedia information and entertainment*** to allow Californians to participate more fully in our society and enrich their lives.

### **Begin Pursuit of the Vision Today**

Assembly Bill 1289 (Moore), signed into law this year by the Governor, specifically directs this Commission to begin proceedings as soon as practicable to consider an infrastructure strategy for the state.

Californians can begin to enjoy the benefits of our vision within the next year if we commit today the resources necessary to enact the strategy proposed in this report. Fundamental regulatory reform and streamlining represent two of the principal components of our strategy; each promises considerable benefits and proceedings can begin immediately.

Comparably important is the clear message our vision and accompanying infrastructure strategy seeks to convey: *California intends to shape policy with the specific intent of expanding private-sector opportunities within the state for new investment, new businesses, and new jobs.* This report offers recommendations designed to support that message with the actions necessary to help secure California's economic comeback.

Finally, outlined below are additional recommendations intended to further transform regulatory policy by the end of 1996. When enacted, these changes promise to unleash and foster the competitive forces and entrepreneurial energy necessary to accelerate the arrival, sustain the development, and extend the reach of the Information Age for all Californians. As we approach the turn of the century, these steps will lead to still greater benefits by ensuring that advanced telecommunications form an integral part of the state's economy and its society.

### **Principles Guiding the Vision: Innovation, Diversity and Access**

Innovation, diversity and access comprise the foundation on which our proposed strategy is built:

- *Above all, encourage relentless innovation in the ways advanced telecommunications is provided and used in the state.*
- *Support a diverse mix of services and products to meet the widely-varying needs of California businesses, individuals and communities.*
- *Increase affordable access to, and with it the value of, telecommunications with policies which:*
  - Commit to a level of universal service which keeps pace with current and future technological changes in the industry;
  - Require all public networks to be linked to form an integrated infrastructure for California;
  - Encourage applications designed to meet a wide range of individual consumer and business needs;
  - Establish the California Telecommunications Task Force to assist the Commission to devise and implement the means necessary to bring appropriate telecommunication technologies and services to our schools, libraries and community centers.
  - Promote aggressive information sharing and education and training programs designed to reach beyond the technologically rich sectors of our society to the state's disadvantaged populations.

### **Why this Strategy?**

The State's infrastructure strategy must be flexible to endure and adapt to continuous change; must be comprehensive in scope; and must build upon California's inherent strengths.

- *California's telecommunications infrastructure strategy must be flexible enough to survive, and indeed encourage, rapid change in both the types of technologies used and the ways in which consumers choose to use them.*

The telecommunications industry is and will continue to be subject to a punishing rate of technological innovation. Recognizing the difficulty of "predicting" futures under these conditions, this Commission rejects an interventionist approach to infrastructure development based on micromanagement or command-and-control regulation.

In testimony provided at public hearings and in material submitted to the Commission, most experts suggested that any attempt by government to mandate a "one-size fits all" approach risks hobbling the state with stranded or inferior facilities. The infrastructure strategy proposed here looks principally to the competitive forces of the marketplace as the driver and minimizes the potential for publicly funded infrastructure to burden California's consumers, and the state's economy, with the costs of uneconomic or obsolete investment.

For this reason, our strategy relies principally on the discipline and capital of private markets and investors to grow the most competitive, high value technologies for California. Recent announcements by Pacific Bell outlining their plan to offer residential video service, and cable companies interest in telecommunications build upon and reinforce this strategy.

This being said, the Commission will not stray from and remains resolute in its paramount obligation to protect the state's consumers of telecommunications services, particularly in those sectors where market forces remain weak or monopoly power persists.

- ***California's telecommunications infrastructure strategy must look beyond simply building technically sophisticated networks and focus as well on the importance of affordable applications, low-cost customer equipment and consumer education and training.***

For many consumers, the dearth of applications and affordable equipment, inadequate knowledge of how to use these applications, and a poor understanding of their value represent major obstacles to the use of advanced telecommunications. We will not overcome these hurdles solely by increasing investment in network technology. Indeed, consumers will reap real *value* from telecommunications when advances occur on all three fronts: 1) Networks

possessing adequate technical capabilities; 2) applications consumers value; and consumers knowledgeable of the applications and networks available, and 3) how to use them.

Our strategy attempts to bring these elements together to ensure that network investments in California bring high value uses and the attendant benefits to consumers rapidly, rather than result in idle infrastructure.

- ***To best strengthen and sustain its competitive position, California's telecommunications infrastructure strategy must leverage the state's inherent strengths and distinguish itself from other states and nations.***

California must not rely on a strategy whose goal is merely "to do more of what others are doing." California enjoys a rich and distinctive resource base. Accordingly, the state's infrastructure strategy must build on and match those characteristics, for this is the basis on which to establish sustained competitive advantage.

### **Getting the Job Done: Strategic Steps to Fulfill the Promise for California**

Success, and California's economic revitalization, requires cooperation among this Commission, the Governor's office, the California Legislature, individual and business consumers, telecommunications providers and the countless other stakeholders present throughout the state. Consistent with the principles outlined above, we recommend that the California legislature and agencies pursue the following actions. Recommendations directed to this Commission require formal review and consideration before taking effect.

1. **OPEN ALL MARKETS TO COMPETITION AND AGGRESSIVELY STREAMLINE REGULATION TO ACCELERATE THE PACE OF INNOVATION.**
  - Initiate reforms to release firms currently subject to Commission regulation but which lack market power from unnecessary regulatory

burdens restricting competitive innovation. This action would free the vast majority of providers from unproductive regulation.

- Eliminate, within the next three years, all remaining legal barriers to competition for telecommunications services in the state.
- Transform universal service from the current complex system of subsidies built around a monopoly provider to a program which allows a wide range of providers to compete directly to deliver such service.
- Streamline and better focus regulation to protect consumers more effectively from remaining monopoly power and marketing abuses while eliminating unnecessary costs of doing business in the state

**2. CREATE THE NATION'S LARGEST ALL DIGITAL, VIDEO AND MOBILE MARKETPLACE**

- Expand basic service to include optional digital access; make such access available to all Californians by January 1, 1997.
- Encourage the development of switched video and mobile access throughout the state by the end of the decade
- Create a Commission-sponsored industry forum to set minimum quality and compatibility (interoperability) standards for firms offering expanded basic service, and to coordinate with national and international standard-setting organizations.
- To the maximum extent possible, maintain a technology-neutral policy. Emphasize "performance standards" over technology-specific standards to allow telecommunications providers to tailor their use of technology in a manner which best meets their needs.
- Work with the Legislature, the Department of Consumer Affairs, the Attorney General's Office and other appropriate agencies to ensure that fundamental consumer protections are in place.



**3. ENCOURAGE COORDINATION TO ELIMINATE BARRIERS PREVENTING THE USE OF ADVANCED TELECOMMUNICATIONS.**

- Encourage business to create private-public partnerships to help consumers make better use of advanced telecommunications. These partnerships could:
  - a) Make low-cost customer equipment available to different types of consumers;
  - b) Train consumers about the types and value of different applications; and,
  - c) Make network services more easily accessible.

These partnerships should emphasize flexibility, speedy trials and widespread distribution of trial results

- Establish centers, with joint participation by the State and the private sector, to showcase advanced telecommunications applications of value to business. These centers would serve as an information clearinghouse and demonstrate new services, equipment and applications available from a variety of vendors. Potential users would have the opportunity to test different applications in "hands on" demonstrations, and receive education and training.
- Establish a user forum at the Commission to assess the advanced telecommunications needs of business and community users, and how they may be better met through the state's public infrastructure.

**4. DIRECT ALL STATE AGENCIES TO LEAD BY EXAMPLE.**

- Create an interagency group to examine the potential for making government more efficient through the use of advanced telecommunications. Examples designed to increase public sector efficiency include, but are not limited to, electronic access to public

documents, electronic document filing, and videoconferencing to reduce the costs, including environmental costs, related to travel.

**5. REINVIGORATE CALIFORNIA'S SCHOOLS AND LIBRARY SYSTEMS.**

- Promote the use of advanced telecommunications by all California primary and secondary students and public libraries through a Schools and Libraries Information Technologies Grant Program providing up to \$150 million annually. The Grant's objective: to provide additional funding for planning, training and equipment to spur statewide development of valuable applications throughout California's K through 12 school and library systems. This modest amount of "seed" investment will foster demand for services and products in the home and in our communities, thus promising to bring the benefits of advanced telecommunications to Californians more rapidly.
- Establish as soon as feasible the California Telecommunications Task Force consistent with Senate Bill 600 (Rosenthal), signed into law by the Governor in 1993. The task force will assist the Commission to devise and implement the means necessary to bring appropriate telecommunication technologies and services to public institutions such as schools, libraries and community centers. The task force will be comprised of individuals representing communications technology and service providers, schools, libraries and community centers, as well as other pertinent stakeholders.

ATTACHMENT 2

ALJ/TRP/sid

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DEC 22 1995

Decision 95-12-056 December 20, 1995

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the )  
Commission's Own Motion Into )  
Competition for Local Exchange )  
Service. )

R.95-04-043  
(Filed April 26, 1995)

Order Instituting Investigation )  
on the Commission's Own Motion )  
into Competition for Local Exchange )  
Service. )

I.95-04-044  
(Filed April 26, 1995)

issues was held November 28. We have carefully reviewed parties' filed comments regarding interconnection rules and the proposed LEC interconnection tariffs and have taken them into account in the interim rules adopted in this order.

**B. Technical Issues**

**1. Should Interconnection Arrangements be Instituted Via Contract or Tariff**

**a. Parties' Positions**

The parties hold differing underlying beliefs regarding the proper vehicle for entering into interconnection arrangements for competitive local exchange service. Pacific and DRA believe that a tariffing process should be used as the basis for interconnection. GTEC, Citizens, and the Coalition believe that mutual negotiation through contract is a more useful vehicle.

**Pacific**

Pacific proposes to offer CLC interconnection under tariff. Pacific filed a partial version of its proposed interconnection tariff on September 18, 1995. On November 22, 1995, Pacific filed supplemental tariff sections to complete its September 18 filing. Pacific designates its tariff offering as Local Interconnection Serving Arrangement (LISA). Pacific claims that the LISA tariff would allow Pacific and CLCs to interconnect effective January 1, 1996 so as to allow each company to engineer its own network independently, recover their respective costs of interconnection, and cooperate with each other to minimize expenses. Under Pacific's proposal, a CLC would initiate an order for interconnection service through Pacific's mechanized ordering interface, the Carrier Enhanced System for Access Requests (CESAR). The LISA tariff offers a trunk-switched network interconnection between a CLC network POI and Pacific's access tandem or end office. LISA also provides for transmission facilities, tandem switching, end office switching, interexchange access, and end user termination functions to complete telephone calls between CLC and

Pacific customers and other common carriers connected to Pacific's tandem switching network. Operator-to-Operator connectivity for Busy Line Verify and Emergency Interrupt Service is also covered under LISA.

Pacific recommends that its proposed tariff be adopted in full by the Commission. If the Commission requires significant changes to LISA, Pacific claims that the January 1, 1996 implementation date for LISA may have to be adjusted. Pacific states that it must also be able to purchase interconnection service from CLCs beginning January 1, 1996, so that its customers may complete calls to CLC customers. Pacific recommends that the CLCs serve their proposed interconnection tariffs as soon as possible so that issues associated with the CLCs' proposed services may be addressed prior to the commencement of local exchange competition on January 1, 1996.

**GTEC**

In compliance with the August 18, 1995 ALJ Ruling, GTEC filed its proposed interconnection tariff. GTEC believes its proposed tariffs comply with the Commission's rules, are reasonable and flexible, and should be approved by the Commission if a tariffing approach to interconnection is adopted. GTEC believes, however, that the preferred approach to developing interconnection arrangements is through mutual agreement between LECs and CLCs.

GTEC generally supports the Commission's Interim Rules for interconnection as adopted in D.95-07-054 which provide for mutual negotiation of interconnection arrangements. The Commission's adopted interconnection rules can then provide guidance in those cases where the parties are unable to reach an agreement. GTEC believes it would be impractical to set forth in a tariff all of the technical details that encompass the interconnection of networks, or to develop tariff provisions to meet all possible situations. GTEC believes that parties should be allowed to negotiate the technical details of provisioning and

constructing facilities to give the flexibility needed to deal with the wide variety of new provisioning situations that will inevitably occur as CLCs and LECs interconnect their networks.

GTEC thus disagrees with Pacific's and DRA's positions that all terms and conditions should be tariffed. GTEC believes DRA's concern regarding discriminatory treatment can be resolved by requiring all negotiated interconnection agreements to contain nondiscriminatory prices across interconnected companies, and that all such agreements should be filed and approved to ensure that the terms and conditions are not unduly discriminatory or anticompetitive.

### Citizens

Citizens supports the concept of mutually negotiated interconnection arrangements, with the material terms and conditions of such agreements filed with the Commission and made publicly available.

Citizens finds Pacific's proposed interconnection tariff to be flawed in a number of respects. According to Citizens, Pacific's proposed tariff inappropriately merges local and toll interconnection issues, and sets a different scheme for CLC toll termination than for other toll carriers. Citizens believes that adoption of Pacific's proposed tariff would lead to network inefficiencies, discrimination, and to inconsistencies with the Commission's Interim Rules. Citizens recommends that Pacific be ordered to file the tariff it was ordered to produce -- a local interconnection tariff. With a few exceptions, Citizens generally agrees with GTEC's proposed tariff, and applauds what it calls the reasonable approach taken by GTEC.

Citizens is concerned that some of the services identified by GTEC as ancillary are actually essential interconnection services which should be provided under tariff. Among the services which Citizens proposes should be provided under tariff and not by contract are: busy line verify/emergency

interrupt, primary white pages and standard yellow pages listing, inclusion of CLC customer listings in GTEC's directory assistance databases, and E911 database inclusion and selective router functions.

Citizens views seamless interconnection to require access on a nondiscriminatory basis to LEC data bases, white pages, and associated network signalling necessary for call routing and completion.

Coalition

The Coalition does not believe that interconnection arrangements need be tariffed, but prefers that parties negotiate their own interconnection arrangements subject to guiding rules and principles as adopted by the Commission. The Coalition finds that Pacific's proposed tariff, in particular, unnecessarily complicates the issues involved with LEC/CLC interconnection. The Coalition views interconnection between the LECs and CLCs to be no more technically challenging than the interconnections between LECs and IEC/LECs that have existed for decades.

The Coalition disagrees with Pacific's LISA tariff in which CLCs are relegated to "customer" status purchasing "services" from the LEC. The Coalition recommends changing the description of Pacific's CLC interconnection arrangement from "service" to "arrangement" to reflect co-carrier parity between LECs and CLCs.

The Coalition expresses concern that Pacific has not finalized its tariffs and that they might be revised in a way that affects Pacific's proposed interconnection service. The Coalition believes this makes it impossible to fully assess Pacific's proposed tariff, and the Commission should require Pacific to propose a final tariff immediately and give the Coalition an additional opportunity to address any such proposed changes. The Coalition recommends that GTEC modify its tariffs so that it is required to provide access to directories, E911 and SS7.



The Coalition recommends that if interconnection arrangements must be governed by tariff, then the LECs should be ordered to refile their interconnection tariffs prior to the advent of local exchange competition on January 1, 1996 to be consistent with the Coalition's interconnection model.

The Coalition offers several criteria for reviewing the LECs' proposed interconnection tariffs. The first criteria is engineering efficiency which means that internetwork facilities should be engineered to standard and accepted industry parameters. The second criteria is economic efficiency which occurs when LECs charge no more than their costs for providing interconnection arrangements which are efficiently engineered. The third criterion is flexibility, given that many different CLCs will likely require a variety of interconnection arrangements. The Coalition believes its interconnection model meets these criteria and also is intended to prevent the LECs from engaging in anticompetitive behavior with respect to LEC-CLC interconnection. The Coalition recommends that the LECs be required to accommodate as many CLC preferences as possible, subject only to the constraint that their networks need to be capable of the configuration requested by the CLC.

#### DRA

DRA believes interconnection rules should ensure competitive equity between the participants and protection of consumer interests. Going forward, DRA prefers that tariffs rather than contracts govern interconnection arrangements since DRA believes contracts readily lend themselves to anticompetitive conduct. DRA believes that the interconnection tariffs filed by Pacific and GTEC, however, are not acceptable.

DRA observes that GTEC's tariff specifies that a number of services will be provided via negotiated contracts (i.e., operator services, directory assistance, directories, database access, billing and collection, SS7 interconnection, and E911). DRA believes that rates, terms, and conditions for these services